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 Security Holders of USA Capital Diversified Trust
 Deed Fund, LLC*

UNITED STATES BANKRUPTCY COURT

DISTRICT OF NEVADA

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED
 FUND, LLC,
 Debtor.

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

Affects:

- ☐ All Debtors
- ☐ USA Commercial Mortgage Company
- ☐ USA Capital Realty Advisors, LLC
- ☒ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA First Trust Deed Fund, LLC
- ☐ USA Securities, LLC

Case Nos.:

Case No. BK-S-06-10725 LBR
 Case No. BK-S-06-10726 LBR
 Case No. BK-S-06-10727 LBR
 Case No. BK-S-06-10728 LBR
 Case No. BK-S-06-10729 LBR

JOINTLY ADMINISTERED
 Chapter 11

**FIRST INTERIM APPLICATION
 OF THE OFFICIAL COMMITTEE
 OF EQUITY SECURITY
 HOLDERS OF USA CAPITAL
 DIVERSIFIED TRUST DEED
 FUND, LLC FOR
 REIMBURSEMENT OF
 EXPENSES OF COMMITTEE
 MEMBERS**

Date: November 13, 2006
 Time: 9:30 a.m.
 Place: Courtroom #1

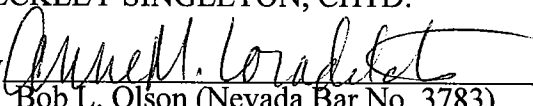
This First Interim Application for Reimbursement of Expenses (the "Application") is filed by the Official Committee of Equity Security Holders of USA Capital Diversified Trust Deed Fund, LLC (the "Diversified Committee"). By this Application, the Diversified Committee requests approval of a reimbursement of expenses incurred by certain members of the Diversified Committee in connection with these Chapter 11 Cases during the period from May 17, 2006 through August 31, 2006 (the "Application Period"). Specifically, Diversified Committee members Sara M. Katz and Robert Worthen request awards of \$928.97 and \$518.11, respectively, for reimbursement of expenses related to their service on the Diversified Committee.

This Application is made pursuant to Section 503(b)(3)(F) of Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") and Rule 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and is supported by the attached Memorandum of Points and Authorities, the record in these cases, and any evidence and oral argument to be presented at the time of the hearing on the Application.

DATED this 10th day of October 2006.

BECKLEY SINGLETON, CHTD.

By


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 Deed Fund, LLC*

POINTS AND AUTHORITIES

I.

STATEMENT OF FACTS

1. On April 13, 2006 (the "Petition Date"), USA Commercial Mortgage Company ("USACM"), USA Securities, LLC ("USA Securities"), USA Capital Realty Advisors, LLC ("USA Realty"), USA Capital Diversified Trust Deed Fund, LLC ("USA Diversified"), and USA Capital First Trust Deed Fund, LLC ("USA First" and, collectively with USA Mortgage, USA Securities, USA Realty, and USA Diversified, the "Debtors") filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. The Court approved joint administration without substantive consolidation on May 9, 2006.

2. No trustee or examiner has been appointed in these Chapter 11 Cases. The Debtors continue to operate their businesses as debtors in possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

3. On May 10, 2006, the Office of the United States Trustee (the "US Trustee") appointed the following four committees in these Chapter 11 Cases:

(a) The Official Committee of Holders of Executory Contract Rights Through USA Commercial Mortgage Company;

(b) The Official Unsecured Creditors Committee for USA Commercial Mortgage Company;

(c) The Diversified Committee; and

(d) The Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC.

4. The Diversified Committee represents the interests of those persons who invested in USA Diversified.

5. Diversified Committee members Sara M. Katz and Robert Worthen have incurred actual and necessary expenses arising from their participation on the Diversified Committee. Upon request of the Court or any party in interest, each Diversified Committee member will provide receipts for any of the costs for which they request reimbursement.

6. Ms. Katz's expenses are summarized as follows:

Expenditure	Amount
Airfare charges incurred when traveling to and from Las Vegas, Nevada between May 17, 2006 and June 15, 2006, for Committee Meetings (the "May and June Meetings")	\$ 721.80
Transportation charges incurred in attending the May and June Meetings	196.00
Meal charges incurred while attending the May and June Meetings	11.17
Total	\$928.97

7. Mr. Worthen's expenses are summarized as follows:

Expenditure	Amount
Airfare charges incurred when traveling to and from Las Vegas, Nevada between August 7, 2006 and August 8, 2006, for Committee Meetings (the "August Meetings")	\$239.60
Transportation charges incurred in attending the August Meetings	51.60
Lodging charges incurred when attending August Meetings	226.91
Total	\$518.11

8. The Diversified Committee makes this Application pursuant to Bankruptcy Code section 503(b)(3)(F) and Bankruptcy Rule 2016(a). This Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue of this proceeding is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).

II.

ARGUMENT

9. Bankruptcy Code section 503(b)(3)(F) grants administrative expense priority to "the actual, necessary expenses . . . incurred by – a member of a committee appointed under section 1102 of [the Bankruptcy Code], if such expenses are incurred in the performance of the duties of such committee." As such, applicable case law permits the reimbursement of the reasonable and necessary expenses actually incurred by the official committee members as a result of their service on such committee. *See, e.g., Creditors' Committee Chairman v. Fibrex,*

1 *Inc. (In re Fibrex, Inc.)*, 270 B.R. 714, 716 (Bankr. S.D. Ind. 2001); *In re Colorado-Ute Elec.*
 2 *Assn., Inc.*, 132 B.R. 183, 184 (Bankr. D. Colo. 1991); *In re General Oil Distribs., Inc.*, 51 B.R.
 3 794, 805 (Bankr. E.D.N.Y. 1985); *In re Malden Mills, Inc.*, 42 B.R. 476, 487-88 (Bankr. D.
 4 Mass. 1984).

5 10. The expense reimbursement requested by Diversified Committee members Sara
 6 M. Katz and Robert Worthen satisfies the actual, reasonable and necessary standard set by the
 7 case law. All of the expenses were incurred as a result of the members' participation in these
 8 Chapter 11 Cases. Thus, the expense reimbursement request should be approved as actual,
 9 reasonable, and necessary expenses of the USA Diversified estate.

10 III.

11 CONCLUSION

12 WHEREFORE, the Diversified Committee respectfully requests that the Court enter an
 13 Order: (1) granting the Application; (2) awarding and directing the payment of \$928.97 for the
 14 reimbursement of costs to Diversified Committee member Sara M. Katz; (3) awarding and
 15 directing the payment of \$518.11 for the reimbursement of costs to Diversified Committee

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1 member Robert Worthen; and (4) granting such other and further relief as the Court deems just
2 and appropriate.

3 DATED this 10th day of October 2006.

4 BECKLEY SINGLETON, CHTD.

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